

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

Financial Statements
For the Year Ended June 30, 2022

Morehouse Parish Clerk of Court
Bastrop, Louisiana

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Morehouse Parish Clerk of Court
Bastrop, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Honorable Tifani Thomas
Morehouse Parish Clerk of Court
Bastrop, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities of the Morehouse Parish Clerk of Court, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Morehouse Parish Clerk of Court, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Morehouse Parish Clerk of Court and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morehouse Parish Clerk of Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Honorable Tifani Thomas
Morehouse Parish Clerk of Court
Bastrop, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Clerk of Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Morehouse Parish Clerk of Court's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters the I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Honorable Tifani Thomas
Morehouse Parish Clerk of Court
Bastrop, Louisiana

I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Management has omitted Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head and the Justice System Funding Reporting Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head and Justice System Funding Reporting Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 1, 2022 on my consideration of the Morehouse Parish Clerk of Court’s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Morehouse Parish Clerk of Court’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Morehouse Parish Clerk of Court’s internal control over financial reporting and compliance.



West Monroe, Louisiana
December 1, 2022

BASIC FINANCIAL STATEMENTS

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 332,330
Investments	630,000
Accounts Receivable	13,292
Capital Assets:	
Depreciable	<u>31,680</u>
Total Assets	<u>1,007,302</u>
<i>Deferred Outflows of Resources</i>	
Resources Related to Pensions	297,862
Resources Related to OPEB	334,935
<i>Liabilities</i>	
Accounts Payable	3,124
Net Pension Liability	682,403
Net OPEB Obligation	<u>1,236,059</u>
Total Liabilities	1,921,586
<i>Deferred Inflows of Resources</i>	
Resources Related to Pensions	379,696
Resources Related to OPEB	384,961
<i>Net Position</i>	
Net Investment in Capital Assets	31,680
Net Position - Unrestricted	<u>(1,077,824)</u>
Total Net Position	<u>\$ (1,046,144)</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:					
Public Safety & Judicial Prosecution	<u>\$ 772,886</u>	<u>\$ 946,587</u>	<u>\$ 144,345</u>	<u>\$ -</u>	<u>\$ 318,046</u>
			General Revenues:		
			Interest Earnings		2,662
			Miscellaneous		21,297
			Total General Revenues		<u>23,959</u>
			Changes in Net Position		342,005
			Net Position - Beginning (Restated)		<u>(1,388,149)</u>
			NET POSITION - ENDING		<u>\$ (1,046,144)</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND
JUNE 30, 2022

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 332,330
Investments	630,000
Accounts Receivable	13,292
Interfund Receivables	-
<u>Total Assets</u>	\$ 975,622
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities</u>	
Accounts Payable	\$ 3,124
Interfund Payables	-
<u>Total Liabilites</u>	3,124
<u>Fund Balance</u>	
Unassigned	972,498
<u>TOTAL LIABILITIES AND</u> <u>FUND BALANCE</u>	\$ 975,622

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

BALANCE SHEET, GOVERNMENTAL FUND
JUNE 30, 2022

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position**

*Amounts reported for governmental activities in the Statement of Net Position are
different because:*

Fund Balance, Governmental Funds:	\$ 972,498
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	31,680
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(682,403)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	(131,860)
Long-term obligations are not due and payable in the current period and therefore are not reported in the fund statements: Net OPEB obligation	<u>(1,236,059)</u>
Net Position of Governmental Activities	<u>\$ (1,046,144)</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>
<u>Operating Revenue</u>	
Licenses and Permits - Marriage	\$ 3,691
Intergovernmental Revenues - State Funds:	
Clerk's Supplemental Compensation	24,600
Grant Reimbursements	144,345
Fees, Charges, and Commissions for Services:	
Court Costs, Fees, and Charges	252,835
Fees for Recording Legal Documents	351,193
Fees for Certified Copies of Documents	74,255
Criminal Fees	9,394
UCC Fees	37,720
Other	120,877
Bond Forfeitures	10,287
Use of Money and Property - Interest Earnings	2,662
Other	21,297
Total Operating Revenue	1,053,156
<u>Operating Expenditures</u>	
Current:	
General Government	
Personnel Services	877,616
Contractual Charges	103,822
Materials and Supplies	88,215
Travel and Other Charges	24,343
Total Operating Expenditures	1,093,996
<u>Excess (Deficiency) of Revenues Over</u>	
<u>Expenditures</u>	(40,840)
<u>Fund Balance - Beginning of the Year</u>	1,013,338
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 972,498

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds		\$	(40,840)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.			
Expenditures for capital assets	23,613		
Less current year depreciation	<u>(13,089)</u>		
			10,524
Postretirement benefit plan expenditures			328,177
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.			61,735
The District's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported in the governmental funds.			<u>(17,591)</u>
Changes in net position of governmental activities		\$	<u><u>342,005</u></u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2022

ASSETS

Cash and Cash Equivalents	\$ 1,039,166
Certificate of Deposit	290,000
Accounts Receivable - Advance Deposits	16,667
Accounts Receivable - Support Enforcement	3,326
TOTAL ASSETS	<u>1,349,159</u>

LIABILITIES

Deposits Due Others	1,349,159
TOTAL LIABILITIES	<u>\$ 1,349,159</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
BALANCES DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Non Support Fund</u>	<u>Total</u>
<u>Unsettled Deposits at</u>				
<u>Beginning of the Year</u>	\$ 1,251,932	\$ 111,671	\$ 2,423	\$ 1,366,026
Additions				
Appropriations from State	-	-	21,958	21,958
Deposits in Suits	492,568	-	-	492,568
Interest Earned on Investments	-	34	-	34
Total Additions	<u>492,568</u>	<u>34</u>	<u>21,958</u>	<u>514,560</u>
Total	1,744,500	111,705	24,381	1,880,586
Reductions				
Clerk's Costs to General Fund	245,235	-	16,709	261,944
Deposits Settled To:				
Litigants	165,377	15,005	-	180,382
Appraisers, Curators, and Keepers	9,318	-	-	9,318
Sheriff	30,191	-	2,957	33,148
Other Reductions	46,635	-	-	46,635
Total Reductions	<u>496,756</u>	<u>15,005</u>	<u>19,666</u>	<u>531,427</u>
<u>UNSETTLED DEPOSITS AT</u>				
<u>END OF THE YEAR</u>	<u>\$ 1,247,744</u>	<u>\$ 96,700</u>	<u>\$ 4,715</u>	<u>\$ 1,349,159</u>

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. *The Clerk of Court is elected for a term of four years.*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION The accompanying basic financial statements of the Morehouse Parish Clerk of Court have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

B. REPORTING ENTITY The Clerk of Court is an independent elected official; however, the Clerk of Court is fiscally dependent on the Ouachita and Morehouse Parish Police Juries. The police juries maintain and operate the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture of the Clerk of Court's office.

For these reasons, the Clerk of Court was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity, in as much as it provides significantly more support to the reporting entity than does the Morehouse Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

Because the Clerk of Court is fiscally dependent on the police jury, the Clerk of Court was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING The Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk of court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the Clerk of Court are classified into two categories; governmental and fiduciary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds account for all or most of the Clerk of Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. The following is the Clerk of Court's governmental fund:

General Fund – The General Fund, as provided by Louisiana Revised Statute 13:781 is the principal fund of the Clerk of Court and is used to account for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Funds The Advance Deposit, Registry of Court and Non Support Expense agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*. Fiduciary funds are not included in the government-wide financial statements.

Program Revenues - Program revenues included in the Statement of Activities derive directly from parties outside the Clerk of Court's taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the Clerk of Court's general revenues.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the Governmental funds statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund and Other Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collectors.

Grants are recorded when the Clerk of Court is entitled to the funds. Interest earned on investments is recorded when the investment has matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETS The Clerk of Court uses the following budget practices:

An annual operating budget is adopted each year for the General Fund and the modified accrual basis of accounting is used to reflect actual revenues and expenditures, which is consistent with accounting principles generally accepted in the United States of America.

All appropriations lapse at year-end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the Clerk of Court does not use encumbrance accounting.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Clerk of Court considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Clerk of Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Clerk of Court’s investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

H. CAPITAL ASSETS Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$5,000 or more for capitalizing capital assets.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20-40 years
Furniture and fixtures	5-10 years
Vehicles	5-15 years
Equipment	5-20 years

I. ANNUAL AND SICK LEAVE All employees of the Clerk of Court’s office earn from 5 to 20 days of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the Clerk’s office earn five days of sick leave annually. A maximum of 420 hours (60 days) sick leave may be accumulated and carried forward to the succeeding calendar year. Employees are not paid for accumulated sick leave upon termination of employment.

J. RISK MANAGEMENT The Clerk is exposed to various risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering professional liability and surety bond coverage. In addition to the above policies, the Clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies’ coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2022.

L. FUND BALANCE OF FUND FINANCIAL STATEMENTS

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

L. FUND BALANCE OF FUND FINANCIAL STATEMENTS (CONTINUED)

Committed: Fund balance that can only be used for specific purposes determined by the Clerk of Court. Committed amounts cannot be used for any other purpose unless the Clerk of Court removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the Clerk of Court's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the Clerk of Court.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The Clerk of Court reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Clerk of Court considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

M. INTERFUND TRANSACTIONS Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

N. ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The Clerk of Court has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Clerk of Court has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (CONTINUED)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The Clerk of Court’s policy does not address interest rate risk.

Credit Risk: The Clerk of Court’s investments are in Certificates of Deposits which do not have credit ratings; however, the Clerk’s policy does not address credit rate risk.

Custodial Credit Risk: At year-end the Clerk of Court’s carrying amount of deposits was \$2,291,496 and the bank balance was \$2,327,513, which includes \$920,000 in certificate of deposits classified as investments.

Of the bank balance, \$1,500,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Clerk of Court’s name. The Clerk of Court’s policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 – RECEIVABLES

The following is a summary of receivables at June 30, 2022:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Appropriation from State	\$ -	\$ 3,326	\$ 3,326
Suits and Successions	-	16,667	16,667
Fees, Charges and Commissions for Services:			
Recordings, Cancellations, Mortgages, etc.	7,654	-	7,654
Court Attendance	1,200	-	1,200
Criminal Fees and Bonds	<u>4,438</u>	<u>-</u>	<u>4,438</u>
Total	<u>\$ 13,292</u>	<u>\$ 19,993</u>	<u>\$ 33,285</u>

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2022, is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Furniture & Equipment	\$ 296,675	\$ 23,613	\$ -	\$ 320,288
Less Accumulated Depreciation				
Furniture & Equipment	<u>275,519</u>	<u>13,089</u>	<u>-</u>	<u>288,608</u>
Capital Assets, Net	<u>\$ 21,156</u>	<u>\$ 10,524</u>	<u>\$ -</u>	<u>\$ 31,680</u>

Depreciation expense of \$13,089 was charged to the judicial function.

NOTE 5 – PENSION PLAN

Retirement Systems

Louisiana Clerks' of Court Retirement and Relief Fund (Fund)

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the Clerk of the Supreme Court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 60 if hired on or after January 1, 2011), and terminating employment. Regular retirement benefits, payable monthly for life, is equal to 3% percent of the member's monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3 1/3% for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011). For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit increase of 10% in each of the last three years of measurement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 – PENSION PLAN (CONTINUED)

For members hired after July 1, 2006, monthly average final compensation is based on the highest compensated 60 consecutive months, or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

The Fund also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2022, the Morehouse Parish Clerk of Court total payroll for all employees was \$591,547. Total covered payroll was \$530,906. Covered payroll refers to all compensation paid by the Morehouse Parish Clerk of Court to active employees covered by the Plan.

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the actual employer contribution rate was 22.25%. The Morehouse Parish Clerk of Court's contributions to the Fund for the year ending June 30, 2022 were \$118,126.

In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the System for the year ended June 30, 2021, was \$12,031,284.

Members are required by state statute to contribute 8.25% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Morehouse Parish Clerk of Court to the Fund monthly.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Clerk reported a liability of \$682,403 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Morehouse Parish Clerk of Court's proportion of the Net Pension Liability was based on a projection of the Clerk's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Clerk's proportion was 0.512993%, which was a decrease of 0.042368% from its proportion measured as of June 30, 2020.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 – PENSION PLAN (CONTINUED)

For the year ended June 30, 2022, the Morehouse Parish Clerk of Court recognized pension expense of \$138,849 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, which was (\$122,258). Total pension expense for the Clerk for the year ended June 30, 2022 was \$17,591.

At June 30, 2022, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	19,024	11,450
Changes in assumptions	147,321	-
Net difference between projected and actual earnings on pension plan	-	301,835
Changes in employer's proportion of beginning net pension liability	13,311	66,146
Differences between employer and proportionate share of contributions	80	265
Subsequent measurement contributions	118,126	-
Total	297,862	379,696

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30,	
2022	5,416
2023	(29,376)
2024	(54,025)
2025	(121,975)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.55%, net of investment expense
Projected salary increases	1-5 years of service – 6.20% 5 years or more – 5.00%
Inflation rate	2.40%
Mortality rates	Pub-2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale
Expected remaining service lives	2021 – 5 years 2020 – 5 years 2019 – 5 years 2018 – 5 years

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2017 – 5 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The actuarial assumptions used are based on the assumptions used in the 2021 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study for the period July 1, 2014 through June 30, 2019, unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The mortality rate assumption used was verified by combining data from this plan with two other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2014 through June 30, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the Fund's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected rate of return was 6.18%, for the year ended June 30, 2021. Best estimates of geometric real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2021, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Fixed Income:		
Domestic Bonds	25.00%	2.50%
International Bonds		3.50%
Domestic Equity	38.00%	7.50%
International Equity	22.00%	8.50%
Real Estate	15.00%	4.50%
	100.00%	

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 – PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Board of Trustees and the Public Retirement System's Actuarial Committee (PRSAC), taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Morehouse Parish Clerk of Court's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Morehouse Parish Clerk of Court's proportionate share of the net pension liability calculated using the discount rate of 6.55%, as well as what the Police Jury's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.55%) or one percentage-point higher (7.55%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	1,202,883	682,403	243,985

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$0, which is the legally required contribution due at June 30, 2022. This amount is recorded in accrued expenses.

Plan Fiduciary Net Position

Detailed information about the Fund's fiduciary net position is available in the separately issued Louisiana Clerks' of Court Retirement and Relief Fund Audit Report.

NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The Morehouse Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The Morehouse Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical, dental, vision and life insurance benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows:

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Attainment of age 55 and 12 years of service; or, attainment of age 60 and 12 years of service for employees hired on and after January 1, 2011. Employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits. Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

Employees covered by benefit terms – As of the measurement date June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	10
	17

Total OPEB Liability

The Clerk’s total OPEB liability is \$1,236,059 as of the measurement date June 30, 2022, the end of the fiscal year.

Actuarial Assumptions and other inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary increases	3.0%, including inflation
Prior discount rate	2.16% annually
Discount rate	3.54% annually
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2022.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

Balance at June 30, 2021		<u>\$ 1,493,424</u>
Changes for the year:		
Service cost		45,471
Interest		32,749
Differences between expected and actual experience		(34,745)
Changes of assumptions		(272,455)
Benefit payments and net transfers		<u>(28,385)</u>
Net changes		<u>(257,365)</u>
 Balance at June 30, 2022		 <u><u>\$ 1,236,059</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1.0% Decrease (2.54%)	Current Discount Rate (3.54%)	1.0% Increase (4.54%)
Total OPEB liability	\$ 1,448,984	\$ 1,236,059	\$ 1,066,134

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Clerk, as well as what the Clerk’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 1,111,319	\$ 1,236,059	\$ 1,396,432

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Clerk recognized OPEB expense of \$68,060. At June 30, 2022, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,590	\$ (151,428)
Changes in assumptions	304,345	(233,533)
Total	\$ 334,935	\$ (384,961)

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:	
2023	(10,160)
2024	(10,160)
2025	(10,160)
2026	(10,160)
2027	(10,160)
Thereafter	776

NOTE 7 – CHANGES IN AGENCY FUND BALANCES

	Balance at Beginning of <u>Year</u>	<u>Additions</u>	<u>Reductions</u>	Balance at End of <u>Year</u>
Advance Deposit Fund	\$ 1,251,932	\$ 492,568	\$ 496,756	\$ 1,247,744
Registry of Court Fund	111,671	34	15,005	96,700
Non Support Fund	<u>2,423</u>	<u>21,958</u>	<u>19,666</u>	<u>4,715</u>
Total	<u>\$1,366,026</u>	<u>\$ 514,560</u>	<u>\$ 531,427</u>	<u>\$1,349,159</u>

NOTE 8 – LITIGATION AND CLAIMS

The Morehouse Parish Clerk of Court is not involved in any litigation at June 30, 2022, nor is she aware of any unasserted claims.

NOTE 9 – EXPENDITURES OF THE CLERK OF COURT PAID BY THE POLICE JURY

The Morehouse Parish Clerk of Court’s office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Morehouse Parish Police Jury.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 1, 2022, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 11 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to correct the GASB 75 – *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions* calculations from previous years. This resulted in an increase to beginning net assets of \$120,838. This adjustment is only made to the government-wide financial statements, and has no effect to the fund financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Variance With</u> <u>Final Budget</u> <u>Over(Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operating Revenue</u>				
Licenses and Permits - Marriage	4,100	3,700	\$ 3,691	\$ (9)
Clerk's Supplemental Compensation	24,600	24,600	24,600	-
Grant Reimbursements	-	144,345	144,345	-
Court Costs, Fees, and Charges	332,900	245,200	252,835	7,635
Fees for Recording Legal Documents	354,500	351,150	351,193	43
Fees for Certified Copies of Documents	70,000	74,200	74,255	55
Criminal Fees	9,450	9,100	9,394	294
UCC Fees	39,300	37,700	37,720	20
Other Fees	125,820	144,449	120,877	(23,572)
Bond Forfeitures	1,800	1,080	10,287	9,207
Use of Money and Property - Interest Earnings	3,140	2,650	2,662	12
Other	33,900	11,150	21,297	10,147
Total Operating Revenues	<u>\$ 999,510</u>	<u>\$ 1,049,324</u>	<u>\$ 1,053,156</u>	<u>\$ 3,832</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	833,772	888,171	877,616	10,555
Contractual Charges	107,993	106,089	103,822	2,267
Materials and Supplies	11,250	88,352	88,215	137
Travel and Other Charges	46,230	46,182	24,343	21,839
Total Expenditures	<u>999,245</u>	<u>1,128,794</u>	<u>1,093,996</u>	<u>34,798</u>
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	265	(79,470)	(40,840)	38,630
<u>Fund Balance - Beginning of the Year</u>	<u>1,013,338</u>	<u>1,013,338</u>	<u>1,013,338</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 1,013,603</u>	<u>\$ 933,868</u>	<u>\$ 972,498</u>	<u>\$ 38,630</u>

The accompanying notes are an integral part of this financial statement.

Schedule II

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2014	0.537415%	\$ 724,899	\$485,639	149.27%	79.37%
2015	0.519498%	\$ 779,263	\$469,993	165.80%	78.13%
2016	0.519152%	\$ 960,418	\$473,853	202.68%	74.17%
2017	0.520215%	\$ 787,051	\$469,305	167.71%	79.69%
2018	0.567078%	\$ 943,221	\$526,315	179.21%	79.08%
2019	0.563219%	\$ 1,022,801	\$551,570	185.43%	77.93%
2020	0.555361%	\$ 1,336,124	\$550,670	242.64%	72.09%
2021	0.051299%	\$ 682,403	\$517,769	131.80%	84.40%

Amounts presented were determined as of the measurement date (previous fiscal year end).
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule III

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Fiscal Year</u>	<u>(a) Statutorily required contribution</u>	<u>(b) Contributions in relation to the statutorily required contribution</u>	<u>(a-b) Contribution deficiency</u>	<u>Agency's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014	\$ 89,843	\$ 89,743	\$ -	\$ 485,639	18.48%
2015	\$ 89,299	\$ 89,299	\$ -	\$ 469,993	19.00%
2016	\$ 90,032	\$ 90,032	\$ -	\$ 473,853	19.00%
2017	\$ 89,168	\$ 89,168	\$ -	\$ 469,305	19.00%
2018	\$ 100,000	\$ 100,000	\$ -	\$ 526,315	19.00%
2019	\$ 104,051	\$ 104,051	\$ -	\$ 551,570	18.86%
2020	\$ 104,627	\$ 104,627	\$ -	\$ 551,570	18.97%
2021	\$ 108,732	\$ 108,732	\$ -	\$ 517,769	21.00%

Amounts presented were determined as of the end of the fiscal year.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 28,201	\$ 29,047	\$ 70,818	\$ 44,147	45,471
Interest	33,778	34,456	38,266	32,018	32,749
Changes of benefit terms	-	-	-	-	0
Differences between expected and actual experience	(12,576)	41,714	(165,187)	(3,697)	(34,745)
Changes of assumptions	-	-	442,101	12,357	(272,455)
Benefit payments	(16,353)	(17,252)	(17,181)	(18,126)	(28,385)
Net change in total OPEB liability	<u>33,051</u>	<u>87,965</u>	<u>368,817</u>	<u>66,699</u>	<u>(257,365)</u>
Total OPEB liability - beginning	<u>936,892</u>	<u>969,943</u>	<u>1,057,908</u>	<u>1,426,725</u>	<u>1,493,424</u>
Total OPEB liability - ending (a)	<u>\$ 969,943</u>	<u>\$ 1,057,908</u>	<u>\$ 1,426,725</u>	<u>\$ 1,493,424</u>	<u>\$ 1,236,059</u>
Covered-employee payroll	\$ 529,330	\$ 545,210	\$ 570,176	\$ 587,281	466,632
Net OPEB liability as a percentage of covered-employee payroll	183.24%	194.04%	250.23%	254.29%	264.89%
Notes to Schedule:					
<i>Benefit Changes:</i>	None	None	None	None	None
<i>Changes of Assumptions:</i>					
Discount Rate:	3.50%	3.50%	2.21%	2.16%	3.54%
Mortality:	RP-2000	RP-2000	RP-2014	RP-2014	RP-2014
Trend:	5.5%	5.5%	Variable	Variable	Variable

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Morehouse Parish Clerk of Court's office during the month of June for comments from taxpayers. The budget is then legally adopted by the Clerk and amended during the year, as necessary. The budget is established and controlled by the Clerk at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

SUPPLEMENTARY INFORMATION

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2022

FIDUCIARY FUND TYPE – AGENCY FUNDS

ADVANCE DEPOSIT FUND

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

REGISTRY OF COURT FUND

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

NON SUPPORT FUND

The Non Support Fund accounts for the collection and distribution of child support obligations and the assessment and remittance of a five per cent fee on the child support payments.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2022

Agency Head: Tifani Thomas, Clerk of Court

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 123,860
Benefits – Insurance	\$ 12,879
Benefits – Retirement	\$ 27,558
Per diem	\$ 0
Travel	\$ 0
Dues	\$ 2,040

Morehouse Parish Clerk of Court
Bastrop, Louisiana

**Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session**

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Beginning Balance of Amounts Collected	1,321,151	1,285,400
Add: Collections		
Civil Fees	166,917	244,096
Bond Fees	7,600	64,620
Other	80	4,182
	<hr/>	<hr/>
Total Collections	174,597	312,898
Less: Disbursements to Governments		
Judicial Expense/Civil	3,525	5,145
Judges Compensation/Civil	6,671	9,324
Judicial College Fee/Civil	116	169
Battered Womens Fund/Civil	310	430
Commissioner of Insurance/Civil	135	210
Court of Appeals/Civil	327	-
Sheriff of Allen Parish	-	50
Sheriff of Avoyelles Parish	-	115
Sheriff of Caddo Parish	1,410	284
Sheriff of Bienville Parish	67	-
Sheriff of Bossier Parish	165	439
Sheriff of Concordia Parish	16	-
Sheriff of East Baton Rouge Parish	2,151	2,604
Sheriff of East Carroll Parish	-	123
Sheriff of East Feliciana Parish	44	-
Sheriff of Jefferson Parish	120	300
Sheriff of Lafayette Parish	96	178
Sheriff of Lincoln Parish	89	333
Sheriff of Madison Parish	-	129
Sheriff of Morehouse Parish	11,507	15,734
Sheriff of Natchitoches Parish	-	68
Sheriff of Orleans Parish	60	120
Sheriff of Ouachita Parish	4,392	4,508
Sheriff of Rapides Parish	110	-
Sheriff of Richland Parish	250	-
Sheriff of Sabine Parish	-	309
Sheriff of St. Martin Parish	-	47
Sheriff of St. Tammany Parish	114	77
Sheriff of Tangipahoa Parish	-	105
Sheriff of Union Parish	104	82
Sheriff of Webster Parish	-	40
Sheriff of West Carroll Parish	90	551
Sheriff of Winn Parish	31	-
Secretary of State Fees/Civil	1,200	1,750
Less: Amounts Retained by Collecting Agency		
Civil Fees	101,187	144,048
Less: Disbursements to Individuals/3rd Party Collection or Processing		
Civil Fee Refunds	73,516	58,756
Bond Fee Refunds	-	30,837
Other Disbursements to Individuals	2,545	9,467
	<hr/>	<hr/>
Total Disbursements	210,348	286,332
Ending Balance of Amounts Collected but not Disbursed	<u>\$ 1,285,400</u>	<u>\$ 1,311,966</u>

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Tifani Thomas
Morehouse Parish Clerk of Court
Bastrop, Louisiana

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Morehouse Parish Clerk of Court (Clerk of Court), a component unit of Morehouse Parish Police Jury, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements, and have issued our report thereon dated December 1, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Clerk of Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court's internal control. Accordingly, I do not express an opinion on the effectiveness of the Clerk of Court's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Tifani Thomas
Morehouse Parish Clerk of Court
Bastrop, Louisiana
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk of Court's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. Nard, CPA (AAAC)

West Monroe, Louisiana
December 1, 2022

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Honorable Tifani Thomas
Morehouse Parish Clerk of Court
Bastrop, Louisiana

I have audited the financial statements of Morehouse Parish Clerk of Court, a component unit of the Morehouse Parish Police Jury as of and for the year ended June 30, 2022, and have issued my report thereon dated December 1, 2022. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2022, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Compliance

Compliance Material to Financial Statements yes no

B. Federal Awards – N/A

Material Weakness Identified yes no

Significant Deficiencies not considered to be
Material Weaknesses yes no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified Qualified

Disclaimer Adverse

Are their findings required to be reported in accordance with the Uniform Guidance,
Section .510 (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Morehouse Parish Clerk of Court and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Morehouse Parish Clerk of Court (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

Morehouse Parish Clerk of Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

I was engaged by the Morehouse Parish Clerk of Court to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Morehouse Parish Clerk of Court and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

David M. Hartt, CPA (AIA)

West Monroe, Louisiana
December 1, 2022

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions

The only written procedure the Clerk did not have was the procedures related to Information Technology Disaster Recovery/Business Continuity but will have one in place in the next fiscal year.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Exceptions

No exceptions noted in the above procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Exceptions

The Clerk has no debt.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions

Inquired of management whether the Clerk had any misappropriations of public funds or assets and there was none. The entity does have posted on its premises, the notice required by R.S. 24:523.1.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Exceptions

I performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

Exceptions

No exceptions were identified in the performance of the procedures listed above.